



Premier Energies Limited

Premier Energies Ltd.

Issue Opens On
Aug 27, 2024

Issue Closes On
Aug 29, 2024

Price Band (INR)
427 – 450

Issue Size (INR Mn)
27,517 – 28,304

Rating
SUBSCRIBE

Premier Energies Limited founded in April 1995, specializes in manufacturing solar cells and panels. The products include solar cells, monofacial and bifacial modules, EPC solutions and O&M solutions. The company operates five manufacturing units in Hyderabad, Telangana, India. Premier Energies' clients include major firms like NTPC, TATA Power Solar, Panasonic, and Luminous. As of July 31, 2024, The company has an order book worth INR 59,265 Mn, covering non-DCR and DCR solar modules, solar cells, and EPC projects. The company exports to numerous countries, including the United States, Hong Kong, and Germany.

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn)	62.90
Fresh issue (# shares) (Mn)	28.70
Offer for sale (# shares) (Mn)	34.20
Price band (INR)	427– 450
Post issue MCAP (INR Mn)	1,93,136- 2,02,843

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	3,14,48,889	14,152	Upto 50%
NII	94,34,667	4,246	Upto 15%
Retail	2,20,14,222	9,906	Upto 35%
Net Offer	6,28,97,778	28,304	100%

Source: IPO Prospectus

Indicative Timetable

Offer Closing Date	Friday, 29 th Aug'24
Finalization of Basis of Allotment with Stock Exchange	On or about 30 th Aug' 24
Initiation of Refunds	On or about 02 nd Sep' 24
Credit of Equity Shares to Demat accounts	On or about 02 nd Sep' 24
Commencement of Trading of Eq. shares on NSE	On or about 03 rd Sep' 24

Source: IPO Prospectus

Objects of the Offer

- Investment in the Subsidiary: Premier Energies Global Environment Private Limited
- General corporate purposes

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group	72%	66%
Others	28%	34%
Total	100%	100%

Source: IPO Prospectus

Particulars (In INR Mn)	FY22	FY23	FY24
Revenue	7,429	14,285	31,438
EBITDA	296	782	4,778
EBITDA Margin (%)	4%	5%	15%
Profit After Tax	-144	-133	2314
PAT Margin (%)	-2%	-1%	7%
Net Worth	4,039	4,242	6,599
RONW (%)	-4%	-3%	37%

Source: IPO Prospectus, DevenChoksey Research

RESEARCH ANALYST

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Premier Energies Ltd.

Company Overview :

- Premier Energies Limited is an integrated solar cell and module manufacturer with nearly three decades of experience in the solar industry.
- The company specializes in producing bifacial monocrystalline PERC cells and various solar modules using advanced technologies like monocrystalline PERC and TOPCon.
- In addition to manufacturing, Premier Energies provides comprehensive engineering, procurement, and construction (EPC) services for diverse solar projects, along with operations and maintenance (O&M) services to ensure long-term performance.
- The company also operates a 2 MW solar power plant in Jharkhand, India and offers customized solar products, including bespoke solar tiles.
- With five manufacturing facilities in Hyderabad, Telangana, the company has an annual installed capacity of 2 GW for solar cells and 4.13 GW for solar modules.
- Premier Energies is expanding further with a new 1,000 MW TOPCon solar cell line expected to be operational by FY 2025.
- The company reported a significant revenue growth of 120% on YoY basis in FY 2024. It recorded a revenue of INR 31,438 Mn in FY24 vs INR 14,285 Mn in FY23.

Business Model and Operations

- Premier Energies Limited operates primarily in the solar energy sector, focusing on the production of high-efficiency solar PV cells and modules. The company is recognized as second largest integrated solar cell & module manufacturer in India, leveraging advanced technologies to produce reliable and cost-effective solar products.
- The company's manufacturing facilities are equipped with state-of-the-art machinery and technology, enabling it to produce a wide range of solar products that meet both domestic and international standards.

Revenue Segmentation

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Revenue from domestic sales	7,361	99%	14,210	99%	27,041	86%
Revenue from export sales	68	0.9%	75	0.5%	4,397	13.9%
Total	7,429	100	14,285	100	31,438	100

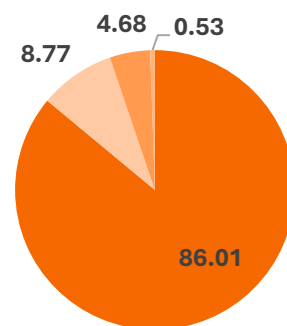
Source: IPO Prospectus, DevenChoksey Research

Export Revenue Distribution

Particulars	INR Mn
United States	2,758
Hong Kong	1,472
Others	167
Total	4,397

Source: IPO Prospectus, DevenChoksey Research

Revenue mix by geography



■ India ■ United States ■ Hong Kong ■ Others

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

Company Overview :

Product Portfolio

- Solar Cells:** The company produces high-efficiency monocrystalline PERC solar cells, which are more effective and longer-lasting than polycrystalline cells. The company manufactures bifacial PERC cells in a 182mm x 182mm size, enhancing light absorption. Future plans include transitioning to TOPCon technology, which promises higher efficiency (24.5% to 25.2%) and better bifaciality (80% to 85%) compared to PERC.
- Solar Module:** Solar modules are assembled using a series-parallel configuration of solar cells, protected by layers of glass, encapsulant and backsheet. The company includes a junction box for power extraction. The company offers monofacial and bifacial modules with various power outputs. Monofacial modules use half-cut monocrystalline PERC cells, while bifacial modules, which capture sunlight from both sides, come in p-type and n-type versions with advanced warranties and enhanced durability.
- EPC Solutions:** The company, leveraging its solar cell and module expertise, provides comprehensive EPC solutions through its subsidiary Premier Solar Powertech Private Limited. With 12 years of experience, it offers end-to-end solar services for various systems, including ground-mounted, rooftop, floating and canal-based projects. Its portfolio includes 266.26 MW of ground-mounted and 22.86 MW of rooftop projects, and it also supply solar water pumps for remote areas.
- O&M Solutions:** The company operates in the O&M sector by offering maintenance and operational services for its EPC clients. It currently manages O&M for 178.38 MW of solar ground-mounted and rooftop systems, as well as for the installed solar water pumps.

Revenue mix by Products and Services

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Income from sale of manufactured goods	3,179	43	11,423	80	27,287	87
Sale of solar cells	336	5	1,856	13	7,066	22
Sale of solar modules	2,843	38	9,567	67	20,221	64
Income from sale of traded goods	2,379	32	1,670	12	2,579	8
Sale of solar modules	-	-	549	4	1,775	6
Sale of solar cells	744	10	768	5	634	2
Sale of solar accessories and silicon wafers	1,635	22	352	2	170	0.54
Revenue from power supply	40	0.54	43	0.30	38	0.12
Income from contracts	1,830	25	1,138	8	1,487	5
Construction and project related activity	1,813	24	1,104	8	1,437	5
Engineering and service fees	17	0.23	35	0.24	50	0.16
Other operating revenue	-	-	12	0.08	46	0.14
- Job work services	-	-	4	0.03	16	0.05
Sale of scrap	-	-	7	0.05	30	0.09
Total	7,429	100	14,285	100	31,438	100

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

Company Overview:

Manufacturing Facilities

Premier Energies operates five state-of-the-art manufacturing facilities in Hyderabad, Telangana, India. These facilities are strategically designed to support the company's robust production capabilities, with an annual installed capacity of 2 GW for solar cells and 4.13 GW for solar modules. Notably, the Unit II manufacturing facility is India's first LEED Gold-rated solar manufacturing plant, certified by the U.S. Green Building Council (USGBC).

The company is in the process of expanding its capacity by adding a 1,000 MW TOPCon solar cell line to Unit II within FY25. This expansion is supported by financing from the Indian Renewable Energy Development Agency (IREDA).

Capacity Utilization of Manufacturing Facilities

Unit I: Premier Energies Limited

Particular	FY22	FY23	FY24
Solar Module			
Annual installed capacity (MW)	470	470	260
Effective installed capacity (MW)	400	58	173
Actual production (MW)	141	93	3
Capacity utilization (%)	35	36	1.48

Unit III: Premier Energies International Private Limited

Particular	FY24
Solar Cell	
Annual installed capacity (MW)	1,250
Effective installed capacity (MW)	392
Actual production (MW)	273
Capacity utilization (%)	59

Unit II: Premier Energies Photovoltaic Private Limited

Particular	FY22	FY23	FY24
Solar Cell			
Annual installed capacity (MW)	500	750	750
Effective installed capacity (MW)	308	560	560
Actual production (MW)	110	228	495
Capacity utilization (%)	36	41	88
Solar Module			
Annual installed capacity (MW)	750	900	1,400
Effective installed capacity (MW)	500	740	1,140
Actual production (MW)	93	395	807
Capacity utilization (%)	19	53	71

Unit IV: Premier Energies International Private Limited

Particular	FY24
Solar Module	
Annual installed capacity (MW)	1,600
Effective installed capacity (MW)	333
Actual production (MW)	198
Capacity utilization (%)	59

Unit V: Premier Energies Global Environment Private Limited

Particular	FY24
Solar Module	
Annual installed capacity (MW)	100
Effective installed capacity (MW)	25
Actual production (MW)	0.08
Capacity utilization (%)	0.31

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

Company Overview:

Market Presence and Industry Position:

Premier Energies has established a strong presence in both domestic and international markets. The company's revenue is primarily driven by domestic sales, with a significant increase in export sales in recent years. For instance, during FY 2024, the company reported that 13.99% of its revenue came from export sales, marking a notable growth compared to previous years.

The company's growth trajectory is aligned with India's expanding solar manufacturing industry, which has benefited from favorable government policies and an increasing demand for clean energy. India's solar module manufacturing capacity reached approximately 72 GW in FY2024, with significant potential for further growth.

Imported raw materials

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Cost of raw materials imported from China	3,057	41	6,983	44	13,180	48
Cost of raw material from other jurisdictions	1,436	19	1,705	11	3,744	14

Source: IPO Prospectus, DevenChoksey Research

Volume of solar cells and modules

Particulars	FY23	FY24
Sale of solar cells	56 MW	609 MW
Sale of solar modules	469 MW	960 MW

Source: IPO Prospectus, DevenChoksey Research

Revenue Distribution of Company and its Subsidiaries

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Premier Energies Ltd.	7,478	100.67%	7,213	50.49%	10,503	33.41%
Premier Energies Photovoltaic Pvt. Ltd.	2,785	37.48%	12,074	84.52%	31,170	99.14%
Premier Energies International Pvt. Ltd.	-	-	-	-	4,391	13.97%
Premier Energies Global Environment Pvt. Ltd.	-	-	-	-	55	0.18%
Premier Solar Powertech Pvt. Ltd.	167	2.25%	129	0.90%	198	0.63%
Eliminations	3,001	-40.40%	-5,130	-35.91%	-14,878	-47.33%
Total	7,429	100%	14,285	100%	31,438	100%

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

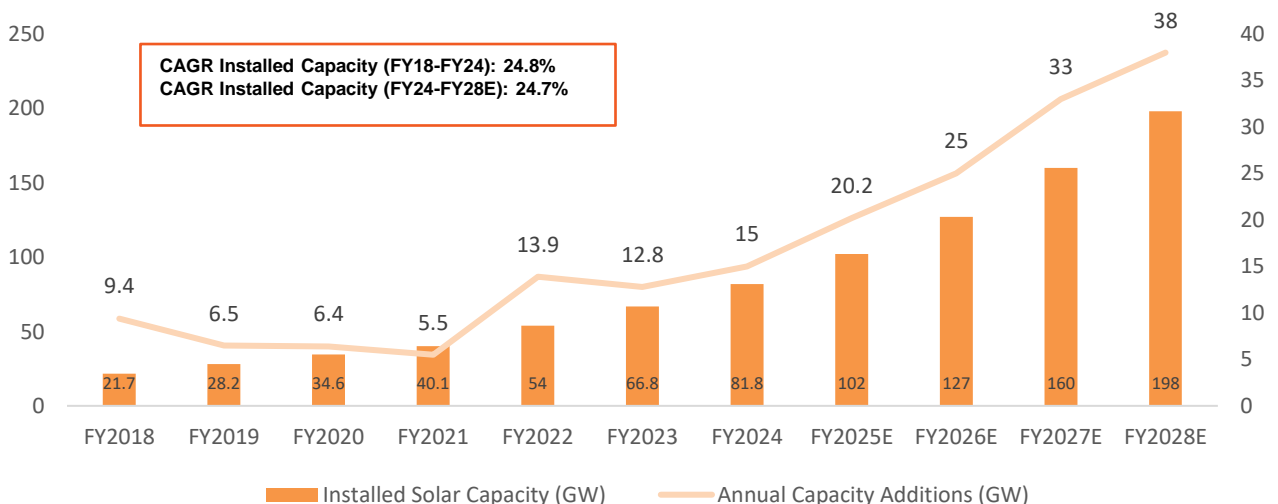
Industry Overview:

- The global installed power generation capacity has reached 9,063 GW at the end of CY2023. The Asia-Pacific region leads with approximately 40% of this capacity, followed by North America at 22% and Europe at 18%. India holds around 5% of the global total.
- Looking ahead, global capacity is projected to grow at a 4.8% CAGR, reaching about 33,000 GW by CY2050. This expansion will see capacity quadruple, with nearly 75% of electricity generated from renewable sources by that time.
- India's power generation capacity has surged over 100-fold since Independence driven by robust economic growth and increasing electricity demand, positioning its energy sector prominently in the global market.
- India, the third-largest global power producer and consumer, had an installed capacity of 442 GW at the end of FY2024, with expectations to rise to 622 GW by FY2028 and the renewables are expected to account for approximately 54% share of this total capacity. Of this increase, around 65% will come from solar, boosting installed solar capacity from 82 GW in FY2024 to 198 GW by FY2028.

Solar Industry in India

- India aims for 500 GW of clean energy by 2030, with 300 GW from solar. Recent plans indicate annual solar capacity additions could double in the next 2-3 years. The MNRE will auction 50 GW of renewable capacity annually, with 80% allocated to solar.
- By FY2028, solar capacity is expected to reach approximately 200 GW. To address the intermittent nature of solar power, the government is investing in round-the-clock availability through battery storage and pumped storage solutions.
- India's solar installed capacity has surged nearly fourfold over the past six years, rising from 22 GW in FY2018 to 82 GW in FY2024.
- This substantial growth reflects the nation's strong commitment to solar energy, driving both environmental sustainability and economic gains. According to Frost & Sullivan analysis, India is on track to achieve approximately 200 GW of solar capacity by FY2028, driven by targeted demand and supply measures.

Growth in solar installed capacity, India, GW, FY2018 – FY2028E



Source: IPO Prospectus, DevenChoksey Research

RESEARCH ANALYST

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Premier Energies Ltd.

Industry Overview:

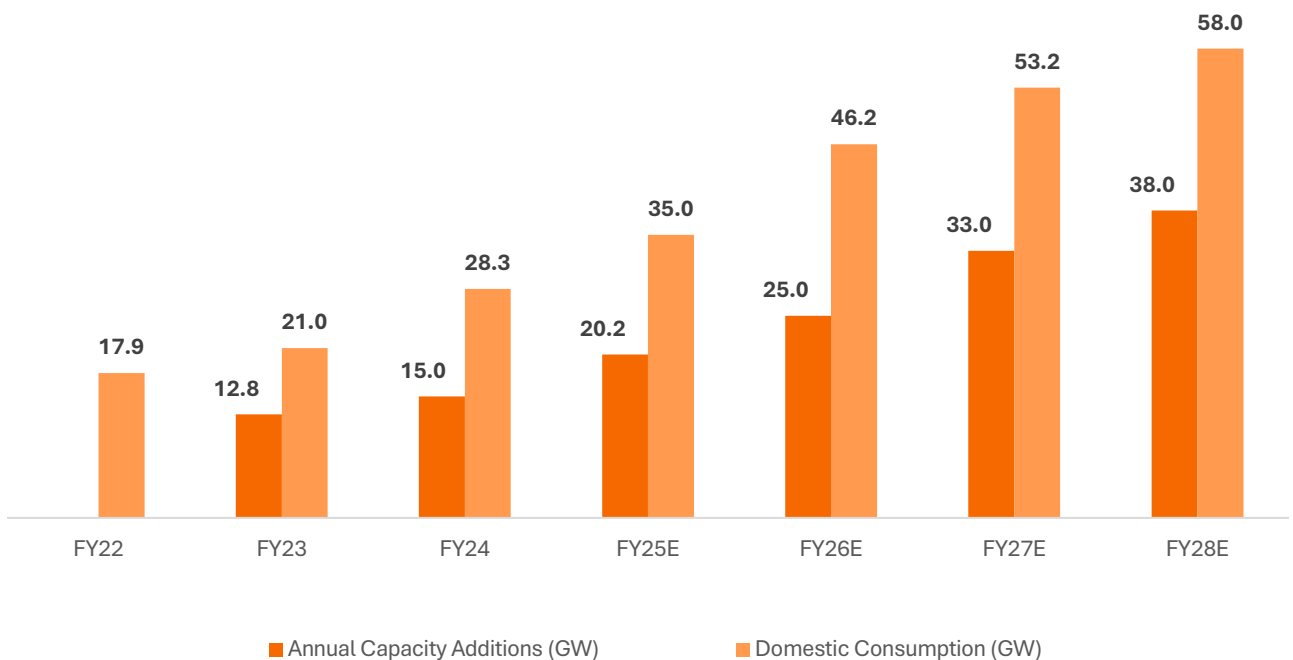
Solar Cell and Module Manufacturing Sector in India

- The solar cell and module manufacturing sector in India is rapidly emerging as a pivotal component of the country's renewable energy landscape. With the government's strong push towards clean energy and reducing dependency on imports, India has become one of the largest producers of solar modules globally.
- The sector is characterized by a significant expansion in manufacturing capacities, driven by strategic initiatives such as the Production-Linked Incentive (PLI) scheme. This has led to the establishment of a robust domestic manufacturing base that not only supports India's ambitious solar energy targets but also positions the country as a major player in the global solar market.

Market Size and Growth

- India's solar cell and module manufacturing sector has seen significant growth over the past decade, driven by the government's push for renewable energy and the global shift towards sustainable energy sources.
- As of FY2024, India's solar module manufacturing capacity reached approximately 72 GW, making it the third-largest in the world, after China and Vietnam.
- The country's solar cell manufacturing capacity, though smaller, is currently at around 8.1 GW. This sector is expected to witness further expansion, with projections indicating a potential capacity of 150 GW for solar modules and over 60 GW for solar cells by FY2028.
- The rapid growth in manufacturing capacity is primarily attributed to the increasing demand for solar energy, both domestically and globally. India's solar power generation capacity has surged, aligning with the country's commitment to meet its renewable energy targets. The government's target to achieve 500 GW of non-fossil fuel capacity by 2030 has accelerated investments in solar manufacturing.

Solar capacity addition targets vs module requirements, GW, India, FY2022-FY2028E



Source: IPO Prospectus, DevenChoksey Research

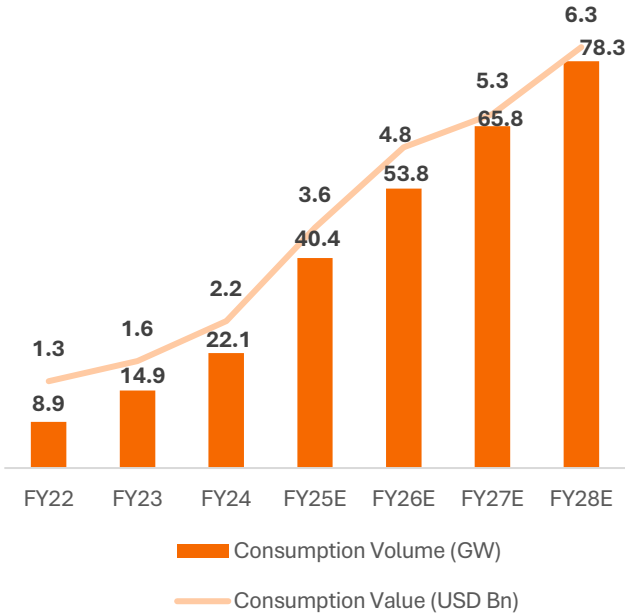
Premier Energies Ltd.

Industry Overview:

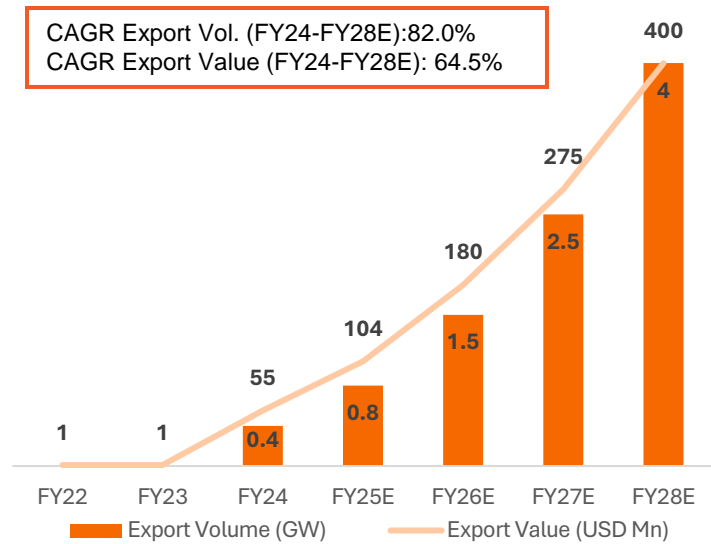
Government Initiatives

The Indian government has implemented several initiatives to foster the growth of domestic manufacturing in the solar sector. Key among these is the Production Linked Incentive (PLI) Scheme, launched to boost domestic production of high-efficiency solar PV modules. This scheme has been a game-changer for the industry, with the government committing to enhance the domestic manufacturing capacity significantly.

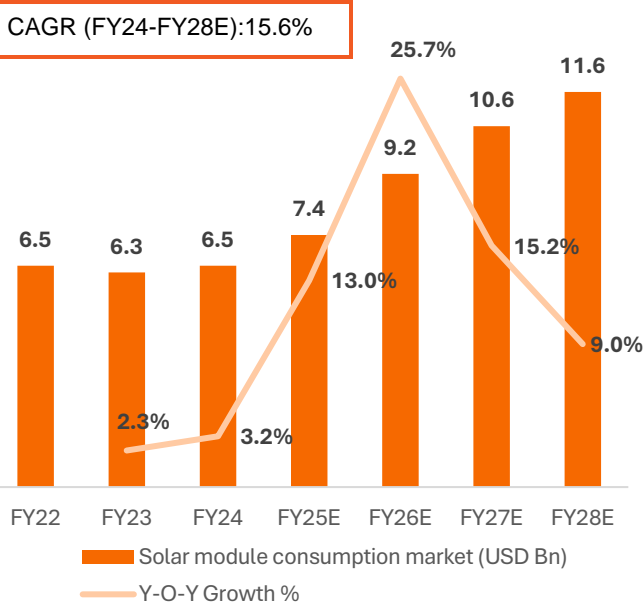
Indian solar cell consumption market, GW and USD billion, FY2022 – FY2028E



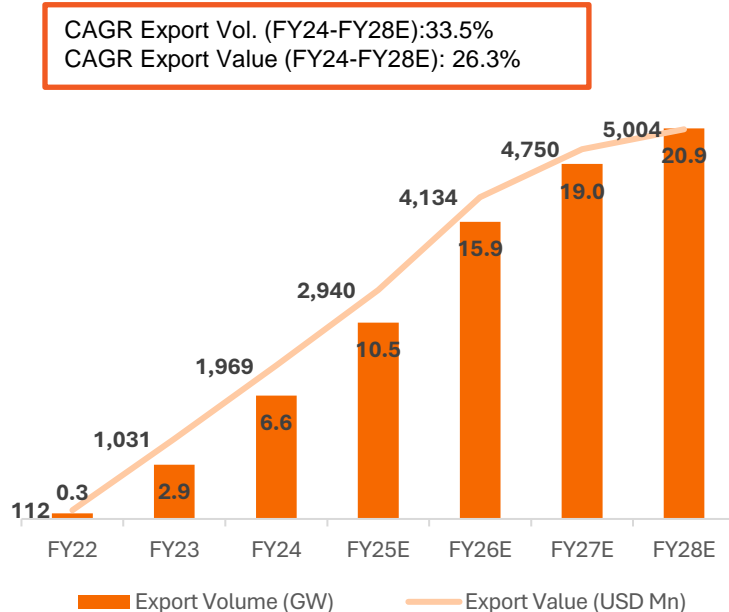
Indian solar cell export market, GW and USD Mn, FY2022 – FY2028E



Indian solar module consumption market, USD billion, FY2022-FY2028E



Indian solar module export market, GW and USD Mn, FY2022 – FY2028E



Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.**Strengths:****Integrated Solar Cell and Solar Module Manufacturer:**

- The company ranks as India's second-largest integrated manufacturer of solar cells and solar modules, with an installed capacity of 2 GW for solar cells and 4.13 GW for solar modules. It operates five manufacturing facilities in Hyderabad, where:
 - ❖ Units I, IV, and V focus solely on solar module production.
 - ❖ Unit II produces both solar cells and modules.
 - ❖ Unit III is dedicated to solar cell manufacturing.
- Unit II is set to launch a TOPCon solar cell line with an annual capacity of 1,000 MW by FY 2025.
- The company's backward integration and comprehensive structure enable it to access the market for DCR modules effectively. This integration also enhances its international revenue, particularly in the United States, by ensuring product traceability, crucial for markets with stringent sourcing policies.
- In FY2024, it was the largest Indian exporter of solar cells to the U.S., capturing nearly 100% of the market. The company exported 312.22 MW of solar cells globally during this period. Its dual capability to produce both solar cells and modules ensures superior cost and quality control.
- With extensive experience, a solid market presence and a history of capacity growth and vertical integration, the company is well-positioned to capitalize on opportunities in the solar energy sector both in India and internationally.

Long track record in the solar module manufacturing sector:

- The company began manufacturing solar modules in 1999 and has expanded to an annual installed capacity of 4.13 GW this includes:
 - ❖ A 1,600 MW module line with TOPCon technology, commissioned in Unit IV in December 2023.
 - ❖ A 1,034 MW module line in Unit V, launched in June 2024, capable of assembling modules with either TOPCon or HJT technology.
- All production lines are fully automated, which minimizes human error and maintains high module quality.
- The company's extensive experience in the solar module industry has enhanced its brand recognition. It supplies modules to Independent Power Producers (IPPs) and OEMs, and off-grid operators such as NTPC, TATA Power Solar Systems Limited, Panasonic Life Solutions Private Limited, Continuum, Shakti Pumps, First Energy, Bluepine Energies Private Limited, Luminous, Hartek Solar Private Limited, Green Infra Wind Energy Limited (a subsidiary of Sembcorp Green Infra Limited), and etc.

Premier Energies Ltd.

Strengths:

Experienced in solar cell line production:

- In 2022, the company transitioned from polycrystalline to monocrystalline PERC solar cells and now plans to adopt TOPCon technology, which offers efficiencies of 24.5% to 25.2%, compared to PERC's 23.2% to 23.7%. This adaptability to advanced technologies is a key competitive advantage.
- The company's expertise in solar cell production allows it to quickly bypass initial setup lead times, enhancing its competitive position.
- It plans to establish a 1,000 MW TOPCon solar cell line in Unit II by FY 2025 and develop 4 GW each of TOPCon solar cells and modules, supported by the Fresh Issue proceeds.

Customer Base and Market Position:

- The company's substantial annual installed capacity and strong market position allow it to offer competitive pricing, attracting a broad and diverse customer base both domestically and internationally.
- The company serves domestic customers across 23 states and union territories in India.
- Key domestic customers include Continuum, Shakti Pumps, First Energy, Hartek, Amplus KN One Power Private Limited, SolarSquare, Rotomag Motors and Controls Private Limited, and Madhav. Internationally, Arka Energy Inc. (U.S.A) is among the company's global clients.
- The company had an order book of INR 59,265.65 Mn of which
 - ❖ INR 16,091.14 Mn: Non-DCR solar modules
 - ❖ INR 22,140.60 Mn: DCR solar modules
 - ❖ INR 18,911.18 Mn : Solar cells and
 - ❖ INR 2,122.72 Mn: EPC projects.

Customer Segmentation

Particulars	FY22		FY23		FY24	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
Domestic	7,361	99	14,210	99	27,041	86
IPP	1,793	24	3,166	22	10,949	35
OEM	2,337	31	5,825	41	4,008	13
Government	1,692	23	1,727	12	2,415	8
Others	1,538	21	3,491	24	9,668	31
Export	68	1	75	1	4,397	14
Total	7,429	100	14,285	100	31,438	100

Particulars	FY22		FY23		FY24	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
Largest customer	1,473	20	2,624	18	3,342	11
Top 5 customers	3,736	50	8,186	57	13,646	43
Top 10 customers	4,918	66	10,795	76	21,074	67

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

Strategies:

Expand overseas presence and increase exports especially in the U.S. market through strategic backward integration of the production chain and establishing manufacturing capabilities outside of India

- The company operates across various stages of the solar power value chain, including solar cell manufacturing, module production, EPC solutions, O&M services and independent power generation.
- The company is in integrating solar cell and module production in India, the company is now focused on extending this integration to ingot and wafer production. This expansion aims to enhance resilience against market fluctuations, improve cost efficiency, and strengthen supply chain management.
- In April 2024, Premier Energies signed an MoU with international partners to set up a company in India dedicated for wafering solar bricks into wafers.
- The company plans to utilize these ingots and wafers for its solar cell production and market the wafers externally as well. This approach will improve component traceability, particularly for "clean silicon" cells—materials sourced from ESG-compliant vendors, which are increasingly important in export markets.
- In response to the demand for traceable products, especially in the U.S. market, the company is positioning itself to meet regulatory requirements with TOPCon cells and modules.
- In February 2024, the company signed a letter of intent with Heliene USA Inc. to establish a joint venture for a TOPCon cell manufacturing facility in the U.S. Premier Energies Photovoltaic Private Limited will contribute its expertise, while the U.S. partner will provide resources and regulatory support.

Develop and grow rooftop solar offering

- Over the past decade, the company has established itself as a leading OEM in the rooftop solar market, partnering with major firms such as Panasonic, Luminous, and Axitec.
- With the recent introduction of the Grid Connected Solar Rooftop Programme, which aims to install rooftop solar systems in 10 Mn Indian homes, the rooftop solar segment in India is set for significant growth. This initiative is expected to drive demand for DCR modules, a requirement for qualifying for government subsidies.
- The Grid Connected Solar Rooftop Programme is projected to create 25 GW to 30 GW of rooftop solar installation opportunities over the next two to three years.
- The company plans to leverage its OEM status and extensive sales channels across various Indian states to capitalize on this rapidly growing market, aiming to enhance its brand recognition and meet the anticipated demand.

Capitalize on available market opportunities to grow domestic business

- The company plans to expand its operations in India's solar sector, driven by a favorable regulatory environment and government initiatives promoting domestic production.
- The Government of India's **Domestic Content Requirement (DCR)** mandates the use of locally produced solar cells and modules, providing a significant market opportunity. With the company's capability to produce DCR-compliant products at scale and the current high demand for such modules, it is well-positioned to enhance its manufacturing capabilities.

Premier Energies Ltd.**Strategies:**

- Premier Energies Photovoltaic Private Limited, a subsidiary of the company, is listed on the MNRE's Approved List of Models and Manufacturers (ALMM), allowing its products to be used in various government and assisted solar projects. The company also benefits from schemes like the CPSU scheme, PM-KUSUM Scheme, and Grid Connected Solar Rooftop Programme, which provide financial assistance to support domestic solar module use.
- In FY 2023, the subsidiary received INR 327 Mn in M-SIPS subsidies, and as of June 30, 2024, it has claimed an additional INR 338.64 Mn from the Government of Telangana.
- The imposition of a 40% basic customs duty on imported solar modules and a 25% duty on solar cells, along with a 10% customs duty on solar glass and GST exemptions on capital goods for solar manufacturing, further supports domestic production by increasing the cost of imports.

Expanding and upgrading manufacturing capacities using the latest technology:

- The company is committed to advancing its manufacturing capabilities to stay competitive in the solar industry. This includes transitioning from polycrystalline to monocrystalline cells, leading the production of M10 bifacial cells in India and now moving towards TOPCon technology with efficiencies of 24.5% to 25.2%.
- To maintain its leadership in solar technology and address evolving market demands, the company plans to commission a new 1,000 MW annual capacity production line for TOPCon solar cells in FY 2025. Additionally, it intends to allocate part of the proceeds from the Fresh Issue to establish new TOPCon solar cell and module production lines, each with a 4 GW annual capacity, at a new facility.
- TOPCon cells are advantageous due to their higher efficiency, reduced degradation, and improved performance in high temperatures, making them suitable for various climates and enhancing their market appeal.
- The technology is also compatible with existing PERC production lines, allowing for upgrades with minimal disruption and financial investment. This strategic compatibility reduces downtime and facilitates smoother integration.
- The company will continue to focus on process improvements through further automation, utilizing the most advanced equipment available and sourcing equipment from Europe to diversify its supplier base.

Risks:

- The company's revenue from operations is reliant on the top 10 of customers contributing 67% of the total revenue in FY24. The loss of any of these key customers or a reduction in revenue from them could have a materially adverse effect on the business.
- Premier Energies faces technological risks due to rapid advancements in solar technology, which can quickly render existing solar cell manufacturing processes obsolete. While the solar panel manufacturing is less susceptible to obsolescence, it remains dependent on technological improvements in procured solar cells. Balancing innovation with investment in new technologies is critical to maintaining competitiveness and mitigating these risks.
- Under-utilization of manufacturing capacities and challenges in effectively utilizing expanded or proposed manufacturing capacities could adversely affect the business.

Premier Energies Ltd.

Outlook and Valuation:

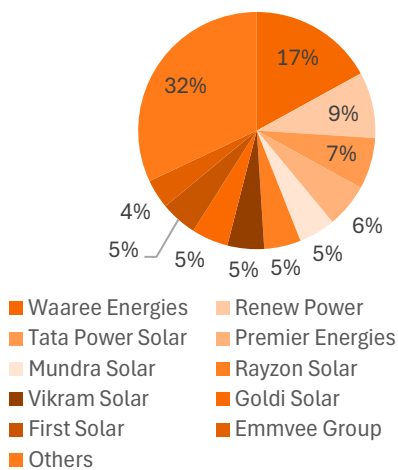
Premier Energies Limited is a leading player in India's solar manufacturing sector and the second-largest integrated manufacturer of solar cells and modules in the country, with a capacity of 2 GW for solar cells and 4.13 GW for modules. The company has shown strong performance with a 105% CAGR in revenue from FY 2022 to FY 2024, achieving a ROE of 44% and a ROCE of 26% in FY24. Strategic initiatives such as expanding into TOPCon technology and wafer production, alongside benefiting from India's favorable domestic content requirements, position Premier Energies to capitalize on the growing solar energy market. With India targeting 500 GW of non-fossil fuel capacity by 2030 and expanding export opportunities to markets like the USA, Premier Energies plans to add a 1 GW TOPCon solar cell manufacturing plant by FY25 and further expand with an additional 4 GW TOPCon solar cell line and 4 GW TOPCon solar module line. A robust order book of INR 59,266 million across DCR and non-DCR solar modules, solar cells, and EPC projects provides strong growth visibility for the near to medium term. The company is valued at a P/E multiple of 87.7x FY24 adjusted EPS, which is in line with or cheaper than its some of the similar companies, leading us to assign a **SUBSCRIBE** rating for the IPO of Premier Energies.

Peer Comparison:

Particulars	Premier Energies Ltd	Websol Energy System Ltd
Revenue	31,438	259
EBITDA	5,053	-66
PAT	2,314	-1,210
ROE	44%	-89%
ROCE	26%	-17%
PE*	87	NA

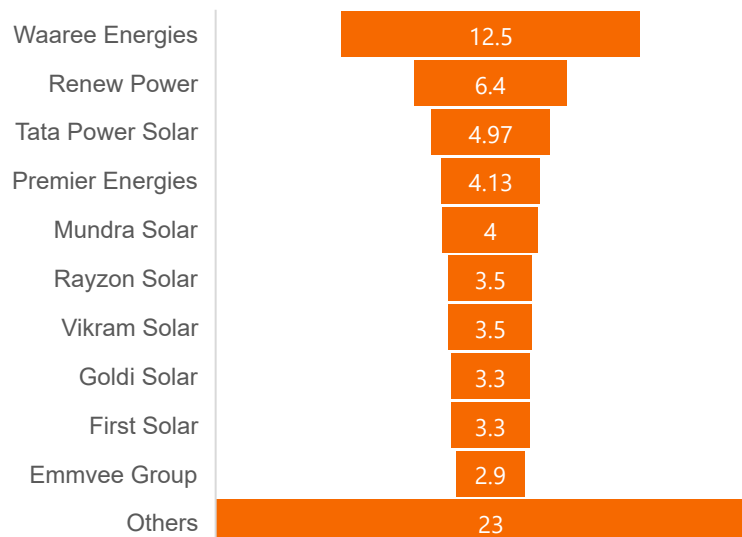
*Based on Adj EPS

Solar module annual installed capacity % share, India, FY2024



Source: IPO Prospectus, DevenChoksey Research

Solar module annual installed capacity by companies, in GW



Premier Energies Ltd.

Financials:

Income Statement (INR Mn)	FY22	FY23	FY24	Cash Flow (INR Mn)	FY22	FY23	FY24
Revenue	7,429	14,285	31,438				
Operating Expenditure	7,133	13,503	26,660				
EBITDA	296	782	4,778				
EBITDA Margin %	3.98%	5.47%	15.20%				
Other Income	242	347	275	CFFO	50	367	902
Depreciation	276	532	961	CFFI	-2179	-3039	-4466
Interest	430	686	1,212	CFFF	2786	2517	5489
PBT & Share of profit of associates	-169	-90	2880	Net Increase/(Decrease) in Cash	656	-155	1924
Share of profit of associates	12	12	13	Cash at beginning	145	801	646
PBT	-157	-78	2894	Cash at end	801	646	2570
Tax	-13	56	580				
Profit after Tax	-144	-133	2314				
PAT Margin (%)	-2%	-1%	7%				
Adjusted EPS	-0.32	-0.30	5.1				

Balance sheet (INR Mn)	FY22	FY23	FY24
Assets			
Non-Current Assets			
Property, plant and equipment	4,714	5,836	11,887
Capital work in progress	1,142	3,493	198
Financial assets	597	490	777
Other non-current assets	318	730	861
Current Assets			
Inventories	2,169	6,329	10,093
Investments	482	518	
Trade receivables	1,452	595	6,090
Cash and cash equivalents	801	646	2,570
Bank balances	796	1,289	1,457
Other current assets	944	1,182	1,609
Total Assets	13,415	21,107	35,541
Equity & Liabilities			
Equity share capital	263	263	263
Instruments entirely equity in nature	1,699	1,699	1,699
Other equity	1984	2150	4506
Equity attributable to the owners of the company	3,946	4,112	6,469
Non controlling interest	93	130	130
Total Equity	4,039	4,242	6,599
Non -Current liabilities			
Financial liabilities	3327	5699	8857
Other non-current liabilities	911	791	1,226
Current liabilities			
Financial liabilities	1,552	3,630	5,864
Trade payables	2,699	3,979	9,746
Other current liabilities	886	2,765	3,249
Total Equity and Liabilities	13,415	21,107	35,541

Source: IPO Prospectus, DevenChoksey Research

Premier Energies Ltd.

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